

LEAN Event Dates: Lean IV – May 2009

Project: Clean Water Fund Agreements**Bureau:** Bureau of Water Protection & Land Reuse (BWPLR)/Planning & Standards Division (P&S)**Team: Total number of team members = 8****Team Sponsor(s)/Title(s):** Paul Stacey, Director of Planning & Standards (WPLR)**Team Leader(s)/Title(s):** Joseph Wagner, Accountant (FSS); Susan Hawkins, Supervising Accountant (FSS)**Team Members/Titles:** Ann Straut-Esden, Engineer (WPLR); Paul Grochowski, Accountant (FSS); Stela Marusin, Engineer (WPLR); Lee Rogers, Fiscal Administrative Officer (FSS)**Team Champion(s)/Title(s):** Dennis Greci, Engineer (WPLR)**Opportunity Statement:** From the date of submittal of a Clean Water Fund application to the closing date of an Interim Funding Obligation (IFO) takes an average of 294 days. There is currently no expectation among the various parties regarding how much time this process should take.**Objective:** To evaluate the current process of receiving and processing an application for funding, involving all the parties who are involved in the process.**Goals/Key Performance Indicators:**

Pre-Kaizen Event Goals –May 2009	Post Kaizen Event Results/Key Performance Indicators – Status Date: July 2010
To reduce the average time period from 294 days – almost 6 months longer than estimated prior to LEAN.	Average time from receipt of application to executed agreement is now anticipated to be 121 days. The average currently is 82 days. Several recent agreements required expediting.
Develop a new application with clear instructions and rejection criteria.	Achieved. Second update (6/24/10) to new application posted to website. Contact information page added, timeframe for submittal of applications by municipalities should reduce number of agreements held by the Department until projects are ready to proceed, documentation requirements clarified. Positive feedback received from municipalities.
Require Identification of municipal contacts and funding method (GO vs. Rev).	Section added to application - this will clarify funding arrangement earlier in the process.

Value Stream Mapping: The activities and steps, both value and non-value added, as shown in the Pre-Kaizen state versus Post-Kaizen desired state.

Type of Process	Pre-Kaizen – # of Processes	Post Kaizen – # of Processes
Valued Added	1	1
No Value Added	34	33
No Value Added but necessary	12	0
Waiting	10	1
Transport	22	11
Total	79	46
Percent Reduction in the Number of Total Steps = 42% Reduction		

The Post-Kaizen desired state has resulted in a number of improved program efficiencies, and include the following:

- Progress can be tracked through LEAN report created in CWF database. Timelines and tracking have created clear expectations amongst staff.
- Combining multiple forms into one and organizing form by responsibilities has made project review clearer and quicker
- Major overhaul of application and incorporating feedback of financial staff, engineers and funding recipients (the customer) has clarified what documentation is required from the customer
- Rejection criteria established and a form developed to clearly identify what is missing for recipient
- Implementation of new process suggested by Office of the Treasurer, May 2010. Agreement “boilerplates” are now “held” by OTT. DEP transmits the information to be used in the agreement via a “CWF Agreement Request Form” that is emailed to OTT once the application checklist and other required documentation is complete. Counsel then prepares the agreement from the boilerplate copy maintained at OTT. The completed agreement is returned to DEP for review and distribution to the municipality and their bond counsel. Although this process adds 8 days to the LEAN timeline – bringing the new timeframe to 121 days - the goal is to have the latest updated version of the boilerplate always available as it is centralized at OTT. It is too soon to determine if the new procedure is working as intended.

Highlights of the Implementation Project Plan (2, 6 and 12 month deadlines):

- **Two Month Goals** – (1) Start tracking dates (2) Create letter to bond counsel (3) Internal Checklist and Loan Approval Checklist combined (4) Project Information Sheet redeveloped and in use (5) New application form created (6) Tax Questionnaire reviewed and updated (7) New BFSS Routing to Commissioner implemented (and training) (8) New Forms Training **Status: Completed: 1, 2 (but information was incorporated into application so separate letter became unnecessary), 3, 5, 8. On-going: 4, 6, 7**
- **Six Month Goals** – (9) New Application Form on website and in use (10) New internal routing of agreements for increased quality control (11) CWF Agreement SOP developed (12) CWF Tech/Admin Review SOP developed (13) New application form on website (14) Updated tax questionnaire in use (15) New forms training **Status: Completed: 9, 10, 11, 12, 13, 15. On-going: 14**
- **Twelve Month goals** - (16) New Application complete and available on website. (17) CWF Agreement SOP completed. (18) CWF Tech/Admin Review SOP completed (19) Electronic online application and PDF of all documents. **Status: June 2010 Completed: 16-updated version of application (6/24/10) posted to website. On-going: 17, 18, 19- this is a Department-wide initiative but not implementable in the near future, requires planning and resources not currently available.**

Additional Comments/Observations/WOWS/Innovations from the Team:

- *What we learned – how few value added steps there are- we identified ONE! There must be some flexibility in the LEAN process as some proposed processes were changed.*
- *“WOW” moment – “assumed” time to process an application was closer to 10 months than originally anticipated 4 month length.*
- *What went well –customers’ positive feedback; it appears that application material is coming in more complete; opportunity for the financial and engineering staff to work together to incorporate both parties knowledge, information and experience.*
- *Other - recommend having pre-Kaizen preparation.*